
CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
MINUTES OF MEETING
Wednesday, September 17, 2008
DRAFT

A meeting of the Board of Administration was held on Wednesday, September 17, 2008, CalPERS Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, California.

The meeting was called to order at 9:44 a.m. by Board President Rob Feckner.

The Secretary called the roll and the following Board members were present:

Rob Feckner, President
Marjorie Berte
Terry McGuire representing John Chiang
George Diehr
Debbie Endsley representing David Gilb
Henry Jones
Steve Coony representing Bill Lockyer
Priya Mathur
Lou Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

AGENDA ITEM 3 – APPROVAL OF THE AUGUST 20, 2008 MEETING MINUTES

ON MOTION by Priya Mathur, **SECONDED** and **CARRIED**, the Board approved the May Board minutes. Ms. Berte abstained.

AGENDA ITEM 4 – INTERIM CHIEF INVESTMENT OFFICER'S REPORT

Anne Stausboll, Interim Chief Investment Officer, presented this report to the Board.

As of August 31, 2008, the market value of the Public Employees Retirement Fund was \$233.4 billion.

AGENDA ITEM 5 – INVESTMENT COMMITTEE

George Diehr, Chair, Investment Committee, presented the Committee Summary report (attached) to the Board. The Committee met on Monday, September 15, 2008.

Additional information may be found in the September 15, 2008 Agenda materials and/or transcripts of the Committee meeting.

The next Investment Committee meeting is scheduled for October 20, 2008 in San Luis Obispo, California.

AGENDA ITEM 6 – BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

Kurato Shimada, Chair, Benefits and Program Administration Committee, presented the Committee Summary report to the Board. The Committee met on Tuesday, September 16, 2008.

Additional information may be found in the September 16, 2008 Agenda materials and/or transcripts of the Committee meeting.

On Motions by the Committee, the Board approved the following:

- Proposed Policy on Disclosure of Communication to be revisited at the November BPAC meeting
- Proposed RFP for Federal Legislative Representative with Amendments regarding scoring and schedule
- Publication of the proposed regulation regarding determination of “employee” status

The next Benefits and Program Administration Committee is scheduled for October 21, 2008 in San Luis Obispo, California.

AGENDA ITEM 7 – HEALTH BENEFITS COMMITTEE

Priya Mathur, Chair, Health Benefits Committee, presented the Committee Summary report to the Board. The Committee met on Tuesday, September 16, 2008.

Additional information may be found in the September 16, 2008 Agenda materials and/or transcripts of the Committee meeting.

The next Health Benefits Committee meeting is scheduled for October 21, 2008 in San Luis Obispo, California.

AGENDA ITEM 8 – FINANCE COMMITTEE

Tony Oliveira, Chair, Finance Committee, presented the Committee Summary report to the Board. The Committee met on Tuesday, September 16, 2008.

Additional information may be found in the September 16, 2008 Agenda materials and/or transcripts of the Committee meeting.

On Motions by the Committee, the Board approved the following:

- 2008-11 three-year business plan update with the removal of objectives 1.3 and 1.4 and transmittal to the Legislature.
- Transmittal letter and submission of the Budget and Expenditure Report for FY 2007-08 to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2007, and to the Legislative Analyst’s Office, State and Consumer Services Agency and the Office of the Legislative Counsel.
- 2009 Finance Committee meeting dates as presented.

The next Finance Committee is scheduled for November 18, 2008, in Sacramento, California.

AGENDA ITEM 9 – PERFORMANCE AND COMPENSATION COMMITTEE

Priya Mathur, Chair, Performance and Compensation Committee, presented the Committee Summary report to the Board. The Committee met on Monday, September 15, 2008.

Additional information may be found in the September 15, 2008 Agenda materials and/or transcripts of the Committee meeting.

On Motions by the Committee the Board approved the following

- 2008-09 performance plan for the General Counsel
- 2008-09 performance plan for the Portfolio Manager, Global Equity

The next Performance and Compensation Committee meeting is scheduled for December 16, 2008 in Sacramento, California.

AGENDA ITEM 10 – BOARD MEETING CALENDAR

The following changes were added:

- Women's Investment Conference – February 10th, 2009
- Implementing a rolling 18 month calendar was proposed

AGENDA ITEM 11 – INTERIM CHIEF EXECUTIVE OFFICER'S REPORT

Ken Marzion reported on the following:

Discussion on healthcare decision support system
Meetings with Kaiser, Blue Shield, Anthem Blue Cross
Reviewing the Health Branch
Win With Wellness Program

AGENDA ITEM 12 – PENSION SYSTEM RESUMPTION (PSR) PROJECT UPDATE

Teri Bennett, Assistant Executive Officer, Information Technology Services Branch, gave a status report on the PSR project.

AGENDA ITEM 13 – BOARD'S STATE LEGISLATIVE PROGRAM/BOARD'S POSITION ON STATE LEGISLATION

Wendy Notsinne, Chief, Governmental Affairs gave an update on legislative bill AB 3041.

AGENDA ITEM 14 – BOARD'S FEDERAL LEGISLATIVE PROGRAM/BOARD'S POSITION ON FEDERAL LEGISLATION

Tom Lussier, CalPERS Federal Legislative Liaison gave updates on the following items:

Energy reform proposals
Commodity bill
Oversight and Compliance Initiative

AGENDA ITEM 15 – PROPOSED DECISIONS OF ADMINISTRATIVE LAW JUDGES

ON MOTION by Priya Mathur, **SECONDED** and **CARRIED**, the Board adopted staff's recommendation on items 15 A – I with the exception of Item E. Ms. Berte abstained on Items B, G, H.

ON MOTION by Steve Coony, **SECONDED** and **CARRIED**, Item 15E will come before the Board to be heard.

AGENDA ITEM 16 – GENERAL COUNSEL'S REPORT

Peter Mixon commented on the IRS roundtable.

AGENDA ITEM 18 – BOARD TRAVEL APPROVALS

ON MOTION by Anne Sheehan, **SECONDED** and **CARRIED**, the Board approved the travel requests

AGENDA ITEM 19 – DRAFT AGENDA FOR THE OCTOBER 22, 2008 MEETING

No comments.

AGENDA ITEM 20 – NEW BUSINESS AGENDA SETTING

No comments.

AGENDA ITEM 21 – PUBLIC COMMENT

No comments.

AGENDA ITEM 17 – CLOSED SESSION

There being nothing further to come before the Board of Administration, the meeting adjourned at 10:40 a.m.